## Remarks

In view of the above amendments and the following remarks, reconsideration of the rejection and further examination are requested.

Claims 1-21 have been rejected under 35 U.S.C. §103(a) as being unpatentable over Russo (US 5,619,247) in view of Christopoulos (US 2001/0047517).

Claims 1-21 have been canceled without prejudice or disclaimer to the subject matter contained therein. New claims 22-26 have been added.

It is submitted that the above-mentioned rejection is inapplicable to the new claims for the following reasons.

Claim 22 is patentable over the combination of Russo and Christopoulos, since claim 22 recites a contents distribution apparatus including, in part, a transmission section operable to transmit a content, one of a plurality of pieces of special effect data and a flag indicating whether or not to apply, to the content, a special effect represented by the plurality of pieces of special effect data to a terminal device when a processing ability of the terminal device is low, and operable to transmit the content, at least first special effect data and second special effect data included in the plurality of pieces of special effect data and the flag when the processing ability of the terminal device is high, wherein

the flag indicates that

- (i) when the flag is ON and the processing ability of the terminal device is low, the contents distribution apparatus causes the terminal device to reproduce the content to which the special effect represented by the one of the plurality of pieces of special effect data is applied,
- (ii) when the flag is ON and the processing ability of the terminal device is high, the contents distribution apparatus causes the terminal device to reproduce the content to which the special effect represented by the first special effect data is applied in a predetermined reproduction portion of the content and to reproduce the content to which a special effect represented by the second special effect data is applied in reproduction portions other than the predetermined reproduction portion, and
- (iii) when the flag is OFF, the contents distribution apparatus causes the terminal device not to reproduce the content to which any special effect is applied.

The combination of Russo and Christopoulos fails to disclose or suggest these features of claim 22.

Russo discloses a system in which one or more pay programs are stored at a user's side (i.e., subscriber's site) that includes a cable converter box 4 and a record/play controller 10. Regarding the payment for the program, it can become due in one of two different ways depending on how the system is set up. In a first configuration, the payment becomes due once the majority of the program (i.e., some portion, but not the entire program) has been viewed. In a second configuration, the payment becomes due once the program is selected for viewing. (See column 3, line 46 - column 4, line 21; column 5, lines 1-32; and Figure 1).

Based on the above discussion, it is apparent that Russo discloses a system for providing and charging for pay programs. However, Russo fails to disclose or suggest that the system performs transmission based on a processing ability of a terminal and reproduction based on a flag and the processing ability of the terminal as recited in claim 22. As a result, Christopoulos must disclose or suggest these features of claim 22.

Regarding Christopoulos, it discloses a network that performs transcoding of multimedia data. The network includes a server 110 including a multimedia storage 113, a gateway 120 including a transcoder 125, and a client 135. The multimedia storage 113 stores multimedia data and transcoding hints, which are used for reformatting the multimedia data. If the multimedia data is a still image, the associated transcoder hints can be related to bit rate, resolution, image cropping and region of interest. When the client 135 requests the multimedia data from the server 110, the multimedia data can be reformatted by the transcoder 125 included in the gateway 135 based on the transcoding hints associated with the multimedia data and the capabilities of the client 135 prior to being forwarded to the client 135, so that the client 135 will be able to process the multimedia data. (See paragraph [0035] and [0036] and Figures 1 and 2).

In Christopoulos, a requirement of apply the transcoding hints to the multimedia-data (content-data) (see step 360 in Figure 3) is that prior to a reproduction of a content (see step 370 in Figure 3), a transcoder receives the multimedia-data, the transcoding hints and a specific address from a server (see step 335 of Figure 3), or prior to the reproduction of a content (see step 370 in Figure 3), the transcoder receives the multimedia-data and the transcoding hints which are based on the capabilities of the client/device from the server (see steps 340, 350 in Figure 3). However, it is apparent that Christopoulos does not disclose or suggest the claimed transmission section operable to transmit a content, one of a plurality of pieces of special effect data and a flag indicating whether or not to apply, to the content, a special effect represented by

the plurality of pieces of special effect data to a terminal device when a processing ability of the terminal device is low, and operable to transmit the content, at least first special effect data and second special effect data included in the plurality of pieces of special effect data and the flag when the processing ability of the terminal device is high.

Further, Christopoulos fails to disclose or suggest that (i) when the flag is ON and the processing ability of the client 135 is low, the server 110 causes the client 135 to reproduce the content to which the special effect represented by the one of the plurality of pieces of special effect data is applied, (ii) when the flag is ON and the processing ability of the client 135 is high, the server 110 causes the client 135 to reproduce the content to which the special effect represented by the first special effect data is applied in a predetermined reproduction portion of the content and to reproduce the content to which a special effect represented by the second special effect data is applied in reproduction portions other than the predetermined reproduction portion, and (iii) when the flag is OFF, the server 110 causes the client 135 not to reproduce the content to which any special effect is applied. As a result, claim 22 is patentable over the combination of Russo and Christopoulos.

As for claims 24 and 26, they are patentable over combination of Russo and Christopoulos for reasons similar to those discussed above in support of claim 22.

Because of the above-mentioned distinctions, it is believed clear that claims 22-26 are allowable over the references relied upon in the rejection. Furthermore, it is submitted that the distinctions are such that a person having ordinary skill in the art at the time of invention would not have been motivated to make any combination of the references of record in such a manner as to result in, or otherwise render obvious, the present invention as recited in claims 22-26. Therefore, it is submitted that claims 22-26 are clearly allowable over the prior art of record.

In view of the above amendments and remarks, it is submitted that the present application is now in condition for allowance. The Examiner is invited to contact the undersigned by telephone if it is felt that there are issues remaining which must be resolved before allowance of the application.

Respectfully submitted,

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